FOSTERING COOPERATIVE RELATIONS WITH CHINA: U.S. ECONOMIC AND MILITARY STRATEGY

BY

LIEUTENANT COLONEL STEPHEN BLAKE WALLER
United States Air Force

DISTRIBUTION STATEMENT A:

Approved for Public Release. Distribution is Unlimited.

USAWC CLASS OF 2009

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.



U.S. Army War College, Carlisle Barracks, PA 17013-5050

The U.S. Army War College is accredited by the Commission on Higher Education of the Middle State Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

REPORT DOCUMENTATION PAGE

Form Approved OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.

1. REPORT DATE (DD-MM-YYYY)	2. REPORT TYPE	3. DATES COVERED (From - To)	
17-02-2009	Strategy Research Project		
4. TITLE AND SUBTITLE	5a. CONTRACT NUMBER		
Fostering Cooperative Relations Wi	th China: U.S. Economic and Military Strategy		
		5b. GRANT NUMBER	
		5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)		5d. PROJECT NUMBER	
Lieutenant Colonel Stephen Blake V	Valler		
·		5e. TASK NUMBER	
		5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S	S) AND ADDRESS(ES)	8. PERFORMING ORGANIZATION REPORT	
Professor Joseph Gregoire	, , , , , , , , , , , , , , , , , , ,	NUMBER	
U.S. Army Peacekeeping and Stabil	lity Operations Institute (PKSOI)		
orer min, i cacenceping and chash	The second secon		
9. SPONSORING / MONITORING AGENCY	NAME(S) AND ADDRESS(ES)	10. SPONSOR/MONITOR'S ACRONYM(S)	
U.S. Army War College			
122 Forbes Avenue			
Carlisle, PA 17013		11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12 DISTRIBUTION / AVAILABILITY STATE	EMENT		

12. DISTRIBUTION / AVAILABILITY STATEMENT

Distribution A: Unlimited

13. SUPPLEMENTARY NOTES

14. ABSTRACT

The evolution of the U.S.-China relationship is critical in shaping the security environment and American influence in the Pacific Rim. The People's Republic of China's economic and military growth is increasingly boosting its ability to influence and control regional and global developments. The United States is more likely to benefit from China's economic and military growth by pursuing mutually beneficial relations with China than otherwise. Were the United States to opt for an adversarial relationship with China, the United States would have to expend substantial resources to keep China in check, the cost of which would diminish relative U.S. economic strength and influence in the contest. While U.S. engagement with China could accelerate this trend, the alternatives—indifference, containment or confrontation—may do little to slow China's rise as an economic and military power. This paper examines how the United States may pursue its national security interest by using its economic and military power together to foster a cooperative relationship with China and proposes an integrated economic and military engagement strategy that U.S. leaders may want to pursue to strengthen the U.S.-China relationship.

15. SUBJECT TERMS

Mil-to-Mil Relations, Grand Strategy, Interests, Engagement

16. SECURITY CLASS	SIFICATION OF:		17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT UNCLASSIFED	b. ABSTRACT UNCLASSIFED	c. THIS PAGE UNCLASSIFED	UNLIMITED	26	19b. TELEPHONE NUMBER (include area code)

USAWC STRATEGY RESEARCH PROJECT

FOSTERING COOPERATIVE RELATIONS WITH CHINA: U.S. ECONOMIC AND MILITARY STRATEGY

by

Lieutenant Colonel Stephen Blake Waller United States Air Force

> Professor Joseph Gregoire Project Adviser

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College CARLISLE BARRACKS, PENNSYLVANIA 17013

ABSTRACT

AUTHOR: Lieutenant Colonel Stephen Blake Waller

TITLE: Fostering Cooperative Relations with China: U.S. Economic and

Military Strategy

FORMAT: Strategy Research Project

DATE: 17 February 2008 WORD COUNT: 4,992 PAGES: 26

KEY TERMS: Mil-to-Mil Relations, Grand Strategy, Interests, Engagement

CLASSIFICATION: Unclassified

The evolution of the U.S.-China relationship is critical in shaping the security environment and American influence in the Pacific Rim. The People's Republic of China's economic and military growth is increasingly boosting its ability to influence and control regional and global developments. America is more likely to benefit from China's economic and military growth by pursuing mutually beneficial relations with China than otherwise. Were the United States to opt for an adversarial relationship with China, the United States would have to expend substantial resources to keep China in check, the cost of which would diminish relative U.S. economic strength and influence in the contest. While U.S. engagement with China could accelerate this trend, the alternatives—indifference, containment or confrontation—may do little to slow China's rise as an economic and military power. This article examines how the United States may pursue its national security interest by using its economic and military power together to foster a cooperative relationship with China and proposes an integrated economic and military engagement strategy that U.S. leaders should pursue to strengthen the U.S.-China relationship.

FOSTERING COOPERATIVE RELATIONS WITH CHINA: U.S. ECONOMIC AND MILITARY STRATEGY

The evolution of the U.S.-China relationship is critical in shaping the security environment and American influence in the Pacific Rim. China's economic and military growth is increasingly boosting its ability to influence and control regional and global developments. America is more likely to benefit from China's economic and military growth by pursuing mutually beneficial relations with China than otherwise. Were the United States to opt for an adversarial relationship with China, the United States would have to expend substantial resources to keep China in check, the cost of which would diminish relative U.S. economic strength and influence in the contest. While U.S. engagement with China could accelerate China's growth, the alternatives—indifference, containment or confrontation—may do little to slow China's rise as an economic and military power. This article examines how the United States should pursue its national security interest by using its economic and military power to foster a cooperative relationship with China rather than by opting for an adversarial relationship.

This article extends the discourse on the U.S.-Chinese relationship and recommends an integrated economic and military engagement strategy to strengthen it. U.S. leaders should support a strategy involving military and economic power which is likely to nurture a mutually beneficial relationship with China. U.S. leaders should factor into their strategic planning the economic impact of military action on the U.S.-China relationship.

U.S.-China Military-to-Military Relations

A review of U.S. military engagements with China suggests the need for change. Differing strategic objectives and lack of common interests have hampered U.S. and Chinese military-to-military (mil-to-mil) relations. Following President Nixon's visit to China in 1972, the U.S. Government limited its military engagement with the Chinese government because of the strategic cost of strengthening a potential peer rival, the negative impact on U.S.-Soviet relations, and the desire to react to Chinese action or policy (e.g. 1989 Tiananmen massacre, human rights, and the 2001 EP-3 incident). The U.S. response to such action sustained a Chinese inclination for limited engagement as well, which also reflected China's opposition to the U.S. Government pursuit of mil-to-mil relations with Taiwan. Although America and China shared common interests in containing Soviet action throughout the Cold War, neither America nor China chose military cooperation as a means to act on this interest.

A decade ago, Chinese mil-to-mil engagements with the United States revealed China's lack of interest in transparency or reciprocity. Kevin Pollpeter analyzed U.S.-China mil-to-mil visits during 1993-1999, and discovered a lack of transparency and openness on the part of the Chinese military. During the period that Pollpeter reviewed, "U.S. delegations visited 51 different PLA [Peoples Liberation Army] units" while the "PLA made 137 visits to 73 different U.S. military units." Pollpeter identified several instances in which PLA officers avoided transparency and reciprocity throughout their visits. The PLA refused "U.S. access to unstaged or 'real' exercises" although the United States allowed PLA access to "unscripted training events, such as exercises at the National Training Center, Red Flag exercises, and a Marine Corps exercise." A widespread U.S. perception of the visits was that PLA officers withheld more information

during the visits than did U.S. counterparts. Examples included visiting PLA personnel refusing "to answer simple questions of unit designation, type of aircraft flown, or even what province they were from," as well as PLA hosts restricting information and giving "approximate numbers of personnel and equipment in briefings." Explaining this imbalance, Pollpeter quoted a senior PLA official whose view was that "transparency is a tool of the strong to be used against the weak." Such tactical level or bottom-up milto-mil activities have yet to strengthen the U.S.-China relationship.

U.S.-China Economic Relations

China's gross domestic product (GDP) and growth rates provide insight into the state of the Chinese economy. In 2007, China had the second largest economy in the world based on GDP, as measured by purchasing power parity. Its GDP was valued at 7.099 trillion U.S. dollars; that of the United States stood at 13.78 trillion U.S. dollars. China has enjoyed double-digit economic growth rates during recent years, achieving 11.9 percent in 2007. Further growth is almost inevitable: despite the unsettled world markets, Morgan Stanley Research and UBS Investment Research, both in Hong Kong, predict that China's GDP growth will still be 7.5 percent in 2009. Zhou Xiaochuan, China's central bank governor, forecasts "an 8-9 percent growth for China" in 2009.

For all that, China is not immune to economic shock. The Chinese government's November 2008 "announcement of a massive 4-trillion-yuan (586 billion U.S. dollars) plan to stimulate its economy" demonstrates that China's leaders realize the need to raise domestic consumption and investment in the face of falling exports. China is positioning itself to maintain its buoyant economy and growth rate despite global market fluctuations.

A lever that might facilitate mutually beneficial mil-to-mil engagement between America and China is the Strategic Economic Dialogue (SED). The SED—biannual meetings that had been co-chaired by former U.S. Treasury Secretary Henry Paulson, Jr. and Vice Premier Wang Qishan—brings together U.S. and Chinese government and academic experts who review bilateral economic issues and prospects. Pointing a way for their military counterparts, the American and Chinese experts who met in Shanghai in June 2008 identified a major irritant to both America and China: each party contends "that the other side does not fully understand its priorities and concerns."

Since mutual understanding is the key to furthering the U.S.-China dialogue, the participants at the June 2008 SED agreed to identify ways to shore up the bilateral economic relationship. They acknowledged that the U.S. goals are "to ensure China's continued progress toward a market economy; foster more balanced growth in China, in order to balance U.S.-China trade; improve market access for U.S. goods and services"; and "improve [both parties'] ability to resolve trade irritants" in order to avoid aggravating the political relationship. The participants also recognized that China wants to "be viewed as an equal partner, rather than a source of problems." China seeks to "avoid excessive weakening of the U.S. dollar; avoid a U.S. slide into protectionism and a 'politicized' investment climate"; and improved "bilateral management of trade and economic issues... to avoid damaging the overall relationship."

Almost all the experts making presentations at the June 2008 SED affirmed that "the U.S. and Chinese economies are closely linked, and will be even more so in the future." Drawing on data from the Foreign Trade Division of the U.S. Census Bureau, the SED identified the following interdependencies of the Chinese and U.S. economies.

China is the second largest trading partner of the United States while the United States is China's largest single trading partner. China is America's largest source of imports while the United States is the fourth largest source of imports by China. China is also America's third largest export market while America is China's largest export market. In addition, China is the second largest holder of U.S. debt.⁹

Chinese Grand Strategy

One way to answer whether the United States should modify its economic ties and military engagement with China is to look at China's grand strategy, which provides a starting point to assess Chinese interests and intent. In their book about Chinese grand strategy, Swaine and Tellis affirm that China exercises a "calculative" security strategy based on its national interests of economic and technological growth, domestic order and welfare, and ability to protect its interests. This calculative strategy is "pragmatic" and emphasizes "the primacy of internal economic growth and stability, the nurturing of amicable international relations, the relative restraint in the use of force combined with increasing efforts to create a more modern military" and the pursuit of "asymmetric gains internationally." Avery Goldstein asserts that China's grand strategy seeks to foster conditions that support China's growth and modernization without encouraging others to conceive of China as a threat. 11

Many references to Chinese national strategy written in the last decade identified security, stability, economic prosperity, and sovereignty as the key components of Chinese national strategy. A common theme throughout recent research emphasized China's strategy of pursuing a peaceful rise and a desire to avoid military confrontation that might derail its economic growth.¹² Although the Chinese government has not

publicized its grand strategy, noted authors Puska, Swaine, Tellis, and Goldstein believe there is widespread academic and government consensus that the conclusions stated above reflect China's national strategic intentions.

U.S. National Interests

The U.S. goals articulated at the SED and in the 2006 U.S. National Security Strategy (NSS) document established U.S. national policy objectives with regard to China. The NSS called for an effort to "ignite a new era of global economic growth" and to press for "open markets, financial stability, and deeper integration of the world economy." In addition, the NSS specifically urged China to "move to a market-based, flexible exchange rate regime" and recommended developing agendas "for cooperative action." The 2008 U.S. National Defense Strategy "encourages China to participate as a responsible stakeholder" by taking more of the burden "for the stability, resilience, and growth of the international system." Since U.S. and Chinese national interests include economic growth and political stability, the execution of a U.S. grand strategy fusing elements of our discrete economic and military strategies for dealing with China might be the ideal way to use America's instruments of national power in the pursuit of our mutual interests.

Common and Conflicting Interests

U.S. leaders can more easily frame the agenda for cooperation if they understand the common and conflicting national interests of both countries.

Beginning with common interests, America and China share mutually beneficial economic interests. Both countries desire stability throughout Asia and the Pacific Rim since it is indispensable to economic prosperity. Both desire increased foreign trade.

Both goals can be achieved if the leaders of the two countries cooperate with each other. Better cooperation calls for better communication between the parties. Richard Lewis affirms that "Americans will turn over many more billions in trade if they learn to communicate effectively with the ... Chinese." Many Chinese "have not only learned English, but they have developed sensitivity toward the aspirations of Western consumers" by living in the West. This sensitivity, if reciprocal, provides the basis for better understanding and communication, which highlights the significance of an economic approach to the bilateral relationship.

Addressing conflicting interests, a leading scholar of Chinese foreign policy,
Zhang Zhi Rong of Peking University in Beijing, has asserted that the "significant issues between China and the United States are the four 'T's: Taiwan, Tibet, Tiananmen
Square, and trade."

The most chronic of these conflicting interests involves American support of Taiwan. Following the October 2008 U.S.-to-Taiwan arms sale, China suspended its military relations with the United States. Chinese Foreign Ministry spokesman Liu Jianchao explained that the sale "is a gross interference in China's internal affairs, which will undermine China's national security, and create disturbance and obstacles to the peaceful development of the cross-Strait relations."

18

Swaine and Tellis affirm that there are potentially four U.S. sources of conflict in the U.S.-China relationship. The four are America's imperative for military "freedom of action throughout East Asia;" "economic access to East Asia and beyond;" "privileged political relations with most Asian powers;" and the pursuit of "formal and informal" U.S. alliances with other states "to ensure peaceful and stable development in Asia." Since China has similar objectives, an integrated U.S economic and military strategy might

move these concerns from the realm of potential conflict to cooperation based on mutual interest.

Focus on Interests versus Position

In the light of common and conflicting interests, U.S. leaders can devise a more effective strategy, one integrating economic and military power, in the pursuit of U.S.-Chinese cooperation. As argued by Fisher, Ury, and Patton, negotiation concludes in agreement more easily when based on interests rather than position. Henry Kissinger explained that "cooperative relations are not a favor either country bestows on the other. They are in the common interests of both countries." Kissinger clarified that "the issue is not whether to oppose Chinese attempts to dominate Asia," because "if they occur, they must be resisted," but at a time when Chinese "capacity for [domination] does not exist, what is the purpose of a confrontational strategy conducted for its own sake?" Kissinger concluded that given China's "huge stake in the international economic system," its desire to avoid pitting America or a combination of Asian countries against itself, and the disastrous consequences of a U.S.-China conflict for the East Asia region, Chinese and U.S. interests will most likely lead both countries to a constructive relationship.²¹

The focus of U.S. leaders on mutual interests would serve them well in setting an agenda for more robust U.S.-Chinese engagement. Such a focus would enhance their ability to assess the impact of economic and military action on the relationship, whether it be facilitating common access to various regions of the world in order to enhance economic stability or engaging in a unilateral display of freedom of action. Although U.S. military leaders must be prepared to prevail in conflict, a strategy of cooperation

provides a means to employ military and economic power in the pursuit of a constructive relationship with China.

U.S.-China Strategy Options

U.S. leaders have several options for pursuing U.S.-China relations. America can maintain the *status quo*. The United States can work to contain or confront China's economic and military growth. America can pursue cooperation based on shared interests with China.

America can pursue the first option of maintaining the *status quo*. However, as the June 2008 SED revealed, the lack of mutual understanding between America and China is not likely to improve if the former opts for the *status quo*. Under such a strategy, achievement of U.S. objectives would be more of a crapshoot than a deliberate attempt to foster better relations. America can opt for the *status quo* to avoid cooperation or confrontation, but such a choice might mean that unforeseen events or misunderstandings would determine the nature of U.S.-China relations.

Some scholars argue that conflict between China and America is inevitable. They recommend containment of China to slow its rise. John Mearsheimer contended that "a wealthy China would not be a *status quo* power but an aggressive state determined to achieve regional hegemony." Mearsheimer posited that for "sound strategic reasons" China would "pursue regional hegemony, just as the United States did in the Western Hemisphere during the nineteenth century." He suggested China would "develop its own version of the Monroe Doctrine" and that China's military buildup would be used to dominate other regional actors, as well as "make it clear that American interference in Asia is unacceptable." Randall Doyle noted that America is

creating as a consequence "a new web of acknowledgements, alliances, agreements, and understandings" with Asian countries to minimize China's influence with "soft containment."

A U.S. strategy of containment or confrontation with China could prove to be expensive and possibly lead to conflict. Containment or confrontation might encourage the U.S. Congress and the American public to support protectionism and populism directed against China. China's reaction could well be ultranationalism and Cold-War revisionism, both of which might be as costly to America as they could be to China. Kissinger has suggested that it is China's "nationalism, not Communism, which could lead to confrontation with the United States, and then not over the issue of global hegemony but over Taiwan."

Although Mearsheimer may be right to expect that a U.S.-China conflict is possible, it does not appear inevitable since Chinese policies reflect more clearly the pursuit of economic interests than regional hegemony. The November 2008 agreement between China and Taiwan to "allow planes and ships to travel directly across the Taiwan Strait" marked a significant shift from past political discord to an increased focus "on trade and economics." Gone are the previous politically-based requirements for aircraft to fly through Hong Kong airspace and for cargo ships to sail through Okinawa; they are now being "allowed to cut hundreds of miles out of each trip" by traveling directly across the Taiwan Strait. This agreement was reached only a month after a U.S. policy decision to sell up to 6.5 billion dollars worth of military weaponry to Taiwan. China protested this U.S.-to-Taiwan weapons sale, but China's agreement with Taiwan,

interpreted in the light of this transaction, highlighted the significant influence of economic interests on Chinese policy.

The more China focuses on economic interests, the less likely it seems that China will pursue conflict with the United States. China's purchase of billions of dollars worth of U.S. Treasury bills and American corporations' investment of billions in China would be lost if China entered into violent conflict with America. Doyle claims that U.S. "military confrontation with the Chinese would end globalization as we know it, because China is the economic locomotive for East Asia."

Not only do the mutual economic interests of America and China reduce the acceptability of war, they also decrease the desirability of a U.S. containment policy towards China. Doyle asserts that U.S. containment of China would prove challenging as it might place "America's allies in an untenable position—pick America or China." Although all nations in the Asia-Pacific region trade with America, "there is no doubt, in anyone's mind, that it is the Chinese economy that is pulling the economic wagon in the region."

RAND Corporation research of the responses of Japan, South Korea, Thailand, Singapore, Philippines, and Australia to China's rise as a regional power has led to the conclusion that it is "not in [America's] interests to take a highly competitive approach to China's security alliances and partnerships in the region." RAND researchers have concluded that "U.S. policy needs to be sensitive to the changing constellations of equities of its East Asian allies and partners—none of which want to provoke China into becoming a strategic adversary." These East Asian allies welcome U.S. engagement in

the region, but they do not desire to be "entrapped in a U.S. regional policy that confronts China." ³⁰

Some East Asian experts have claimed that America has "adopted a hybrid strategy" combining elements of "containment' and 'engagement'" in dealing with China. Goldstein has designated this strategy "congagement" and said it hedges against the "uncertainty about China's future capabilities and intentions... while seeking to avoid an unfortunate self-fulfilling prophecy of mutual hostility."³¹ Although congagement takes a step toward cooperative relations, it is noncommittal and risk averse, and is more likely to sustain the *status quo* than a constructive relationship. The incongruent elements of containment and engagement reduce both the risk and the likely gains from engagement.

Recommendation

America should pursue cooperation with China on the basis of shared interests.

Since America and China will not become trusted friends anytime soon, U.S. and

Chinese cooperation on matters of common interest can help reduce the risk of conflict.

This path involves risk, but offers the most promise. U.S. and Chinese national strategies emphasize the importance of economic growth and stability. Given their existing and growing interconnectedness, both countries can benefit from each other's growth if both cooperate.

A compelling example of how economic interdependency can lessen political tensions can be drawn from the post World War II experience of the development of bilateral relations between enemies—France and Germany. Shortly after the end of the World War, the leaders of both countries concluded that the mutual animosity that had

exacted such a heavy toll on both countries would erode only if their economies were tightly linked. They then began this difficult task by creating the European Coal and Steel Community in 1951, which was followed by the European Economic Community and the European Atomic Energy Community in 1957. A little more than a quarter century after the Merger Treaty of 1967 had set up common institutions for these three communities, the member states established the European Union, of which France and Germany—formerly mutually hostile powers—remain the driving force.³²

The global economic recession provides an opportunity to implement an integrated U.S. economic and military cooperative strategy to engage China. Since America and China consider restarting economic growth in their national interests, if not the paramount objective on their national agendas, America and China can achieve this goal more expeditiously by working together. Were the U.S. military to support this economic effort, it could enhance stability while reducing risk of conflict. Rather than two U.S. instruments of power working separately in the pursuit of perceived or potentially different agendas, the economic and military instruments could be linked to bolster the strategic impact of engagement.

The idea of pursuing a cooperative relationship with China is not new, but a working construct for such a strategy has yet to be executed. In July 2001 in Beijing, then Secretary of State Powell shared China's premier Zhu Rongji's desire for "a constructive and cooperative relationship" and affirmed that "the steady improvement of the bilateral ties could bring benefits for both." In October 2001 at an APEC Summit, President Bush and President Jiang reaffirmed the need to develop a "constructive and cooperative relationship."

Were an overarching strategy of cooperation pursued, based on shared interests while balancing risk to meet U.S. national objectives, the United States and China could try to go a step beyond economic interdependence to interest integration, of which the SED goals provide a starting point. America might offer China a larger role in global economic matters as China moves closer to a market economy. China could offer easier market access to U.S. goods and services to avoid both a weakening of the U.S. dollar and the nurturing of American protectionism while helping the United States to reduce the U.S.-China trade deficit. Although compromise would be required to achieve these results, such cooperation could strengthen the bilateral political relationship while providing an avenue to address and resolve trade irritants.

A dilemma for U.S. policy makers is that they cannot assume that Chinese leaders would act in concert with U.S. interests if the U.S. Government were to pursue an integrated economic and military strategy of cooperation with China. Policy makers of both countries will continue to thwart each other's intelligence collection efforts and to hedge their economic and security interests. America's way forward is to play the hedging game better than the Chinese.

Competition for energy and natural resources is an area of vital interests that will test the U.S.-Chinese ability to compromise and feasibility of future cooperation. As the Chinese economy grows, so will its demand for oil, coal, and gas, along with its concern over energy security. The Chinese perception of U.S. control over sea lane choke points suggests another potential area of friction. Doyle, who believes that access to natural resources is "emerging as the primary concern" for East Asian countries, has concluded that "the world's most powerful nations must construct a resource-sharing

plan."³⁵ The SED could help build a framework within which the vulnerability of the East Asian states' access to resources might be mitigated. It could facilitate the alignment of disparate interests and in the process enhance mutual security through the shared interest of economic growth.

Integrating the U.S. military in support of economic interests, such as by U.S. Navy ships patrolling sea lanes to ensure unfettered access to energy resources, might offer a means to influence China and the PLA Navy. Tying U.S. military action to support of U.S. and Chinese economic interests in this way might moderate China's desire to counter U.S. military maritime capabilities. Since China's buildup of a blue water navy will lead to more contact between U.S. and Chinese maritime forces, the execution of U.S. strategy will influence whether this maritime contact will be frictional or cooperative.

U.S. leaders conjoining their economic and military engagement strategies with China could also help to communicate strategic intentions while reducing risk of misunderstandings. Such a strategy would enable U.S. and Chinese senior military officers to develop closer relationships and possibly resolve misunderstandings. Past stovepiped U.S. military engagement efforts have provided little success in the areas above. Former U.S. Pacific Command Commander Admiral William Fallon confided in March 2007 that "we have in recent years—up until very recently—had very, very little to no interaction" and "while China is active in commercial and economic engagement... military-to-military contacts have been at a standstill." In the hope of moving forward, Admiral Fallon pursued limited mil-to-mil engagement with China, but the effort could not sustain enduring relations as China suspended all mil-to-mil

engagement with the United States after the U.S.-Taiwan arms sale agreement in October 2008.³⁸ To the extent that U.S. leaders were to opt for a grand strategy integrating the military instrument in support of the economic instrument, the United States would be more likely to enjoy a durable, mutually advantageous relationship with China.

U.S. leaders could draw on a wide-range of military capabilities to support an economic-military integrated strategy. Through a forum such as the United Nations, U.S. and Chinese defense officials could coordinate use of their military air, land, and sea capabilities to counter the piracy that threatens trade between the United States, China, and respective trading partners. Airlift offers a means to various strategic objectives beyond the delivery of humanitarian aid. U.S. leaders might consider proposing U.S. airlift of PLA elements to United Nations peacekeeping operations in Africa. Chinese commercial interests could benefit from such action, but it might improve the conditions for political stability and economic growth in Africa. U.S. leaders could also invite the Chinese Government to participate in U.S. military and economic efforts in Afghanistan. Such an offer might help allay China's concern that the objective of the U.S. military presence in Central Asia is to contain China. Using military means to support economic engagement could foster a U.S.-China partnership that might strengthen regional security and infrastructure in regions of importance to U.S. national security.

It is also probable that U.S. integrated military and economic engagement with China could facilitate peaceful, beneficial activity in space. For example, more robust U.S.-China cooperation might have indefinitely put off China's test of an anti-satellite

weapon in 2007, which raised the risk of debris impacting the international space station or low earth orbit satellites. U.S. leaders' use of military capabilities in support of our bilateral economic agendas might help to minimize Chinese misperception, misunderstanding, or unnecessary conflict that could jeopardize mutual economic interests. Such action would have to ultimately support the national interests of the United States and its allies and so could not be engaged in solely for the sake of compromise with China.

For the proposed strategy to be effective, senior U.S. Department of Defense officials and military leaders would have to militarily engage their Chinese counterparts rather than instruct lower-level officials to pursue the dialogue. Top-level military leadership discussions might lead to consensus about areas where military engagement could support economic growth and stability. Top-level discussions would also reduce the risk of U.S. military officers unwisely revealing tactical or operational capabilities or their Chinese counterparts conducting espionage. Under this construct, U.S.-China military engagement would support shared U.S.-Chinese interests, particularly economic, while limiting risk to U.S. security.

Although the U.S. military instrument of power would support U.S. economic efforts, the U.S. military would benefit from the U.S. economic instrument of power. If the proposed grand strategy were to be implemented, the United States might persuade China that its future lies in global security and open trade, both of which can be achieved more easily in a peaceful environment. If that were done, a benefit to the United States would be that its relationships with China would be improving at a time

when budgetary constraints in the United States might be decreasing U.S. conventional military might and deterrence in a relative sense.

U.S. security could also benefit from the U.S. military instrument of power being tied to economic engagement as China would be less likely to suspend military engagement with the United States knowing that the latter activity would directly confer mutual economic advantage. This would curb China's inclination to suspend military relations with America whenever it feels a need for political protest. Just as China has removed its air and sea travel restrictions with Taiwan for economic reasons, China would be more inclined to maintain U.S.-China military relations that enable economic gain under the proposed strategy than under the strategy being pursued now.

Conclusion

Under the proposed integrated economic and military strategy, U.S. leaders would begin the engagement with China with the economic instrument in an area of shared interest. U.S. leaders would employ the military instrument in conjunction with the economic instrument to support, secure, or stabilize the shared economic interest. This U.S. strategy would facilitate Chinese cooperation on a plane that both parties likely consider a low threat—the economic plane—while integrating the U.S. military in a helpful, non-provocative way. Such a U.S. strategy of engagement would offer the United States a way to sustain its power and growth by leveraging and prospering from China's economic growth while reducing the risk of conflict with China. By integrating the U.S. military in a supportive role, China might eventually view the U.S. military as a resourceful and cooperative partner rather than an unpredictable and therefore threatening force.

As the vital interests of the United States and China become more tightly interconnected, the primary goal of their senior leaders should be cooperation rather than conflict. Toward that end, the United States should integrate its economic and military instruments of power in the pursuit of a cooperative relationship with China. Rather than expending resources in an adversarial relationship, a cooperative strategy based on shared interests and balanced risk is the best way for the United States to achieve its national objectives. A U.S. cooperative strategy offers a means to prolong U.S. strength and prosperity by benefitting from China's growth, versus strategies that limit interdependence with China and risk relative decline of U.S. power in the face of a rising China. A U.S. integrated economic and military strategy of cooperation with China is a feasible, suitable, and acceptable way of establishing a bilateral relationship most likely to preserve U.S. national security interests at minimal risk.

Endnotes

¹ Kevin Pollpeter, U.S.-China Security Management: Assessing the Military-to-Military Relationship (Santa Monica, CA: RAND, 2004), 5-14, 27.

² Ibid., 57-68, 84.

³ CIA - The World Factbook, "Rank Order – GDP (purchasing power parity)," https://www.cia.gov/library/publications/the-worldfactbook/rankorder/2001rank.html (accessed November 6, 2008).

⁴ CIA - The World Factbook, "China," https://www.cia.gov/library/publications/the-world-factbook/print/ch.html (accessed November 8, 2008).

⁵ "World markets buoyed by massive Chinese stimulus plan," *People's Daily Online*, November 11, 2008, http://english.people.com.cn/90001/90776/90884/6531686.html (accessed November 11, 2008).

⁶ Ibid.

⁷ Alison A. Kaufman and CNA China Studies, *U.S.-China Economic Relations: Issues and Prospects* (Shanghai, China: CNA Conference Report, June 2008), 11.

⁸ Ibid., 12.

⁹ Ibid., 1.

¹⁰ Michael D. Swaine and Ashley J. Tellis, *Interpreting China's Grand Strategy: Past, Present, and Future* (Santa Monica, CA: RAND, 2000), 97-98.

¹¹ Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security* (Stanford: Stanford University Press, 2005), 25.

¹² Susan M. Puska, New Century, Old Thinking: The Dangers of the Perceptual Gap in U.S.-China Relations (Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, April 10, 1998), 10. Strategy Research Projects reviewed included: Brennan T. Byrne, The Rise of China and America's Grand Strategic Riposte, Strategy Research Project (Carlisle Barracks, PA: U.S. Army War College, March 19, 2004); Harvey L. Crockett, Can We Leverage China to Reduce U.S. Burden in Asia?, Strategy Research Project (Carlisle Barracks, PA: U.S. Army War College, March 7, 2006); Troy L. Dixon, More Dreams in Longer Night: United States China Policy, Strategy Research Project (Carlisle Barracks, PA: U.S. Army War College, March 15, 2006); Brian D. Maas, Shaping a Secure Future-An Assessment of U.S.-China Policy, Strategy Research Project (Carlisle Barracks, PA: U.S. Army War College, March 15, 2006); Tod D. Mellman, China-The Threat to the United States and Asia, Strategy Research Project (Carlisle Barracks, PA: U.S. Army War College, March 19, 2004); Govinda M. Nair, China's Drive to Great Power Status and the Evolution of Future Asian Security Alignments, Strategy Research Project (Carlisle Barracks, PA: U.S. Army War College, March 11, 2005); Christopher J. Pehrson, String of Pearls: Meeting the Challenge of China's Rising Power Across the Asian Littoral (Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, July 25, 2006); and Bob Waltemeyer, Comprehensive Engagement With China, Strategy Research Project (Carlisle Barracks, PA: U.S. Army War College, March 19, 2004).

¹³ George W. Bush, *The National Security Strategy of the United States of America* (Washington, DC: The White House, March 2006), 25-26, 35.

¹⁴ Robert M. Gates, *National Defense Strategy* (Washington, DC: Department of Defense, June 2008), 10.

¹⁵ Richard D. Lewis, *When Cultures Collide: Leading Across Cultures* (Boston: Nicholas Brealey International, 2006), 28.

¹⁶ Ibid., 104.

¹⁷ Randall Jordan Doyle, *America and China: Asia-Pacific Rim Hegemony in the Twenty-first Century* (Lanham, MD: Lexington Books, 2007), 182.

¹⁸ Bill Gertz, "Inside the Ring," Washington Times, October 9, 2008.

¹⁹ Swaine and Tellis, Interpreting China's Grand Strategy: Past, Present, and Future, 5.

²⁰ Roger Fisher, William Ury, and Bruce Patton, *Getting to Yes: Negotiating Agreement Without Giving In* (New York: Penguin Books, 1991), 40-42, 55.

- ²¹ Henry Kissinger, *Does America Need a Foreign Policy? Toward a Diplomacy for the Twenty-first Century* (New York: Simon and Schuster, 2001), 145-49.
- ²² John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton & Company, 2001), 402.
 - ²³ Ibid., 401.
 - ²⁴ Doyle, America and China: Asia-Pacific Rim Hegemony in the Twenty-first Century, 106.
- ²⁵ John F. Troxell, "U.S.-China Economic Relations," lecture, U.S. Army War College, Carlisle Barracks, PA, November 4, 2008, cited with permission of Mr. Troxell.
- ²⁶ Kissinger, Does America Need a Foreign Policy? Toward a Diplomacy for the Twenty-first Century, 146.
- ²⁷ USA Today, "China, Taiwan Agree to Loosen Travel Rule," November 5, 2008, http://ebird.osd.mil/cgi-bin/ebird/displaydata.pl?Requested=/ebfiles/e20081105638046.html (accessed November 5, 2008).
 - ²⁸ Doyle, America and China: Asia-Pacific Rim Hegemony in the Twenty-first Century, 113.
 - ²⁹ Ibid.
- ³⁰ Evan S. Medeiros et al., *Pacific Currents: The Responses of U.S. Allies and Security Partners in East Asia to China's Rise* (Santa Monica, CA: RAND, 2004), xxiii-xxiv.
- ³¹ Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security*, 11.
- ³² Valery Giscard d'Estaing and Helmut Schmidt, "Toward an All-Europe Federation Geopolitics: The former leaders of France and Germany call for a constitutional uniting of European states, including a reunified Germany," *Los Angeles Times*, February 11, 1990 in ProQuest (accessed February 6, 2009), and "The European Iron and Steel Community," http://www.historylearningsite.co.uk/european_iron_steel_community.htm (accessed February 6, 2009), and "The Treaty of Rome," http://www.historylearningsite.co.uk/treaty_of_rome.htm (accessed February 6, 2009).
- ³³ People's Daily Online, "Cooperation between China, US Conducive to Both: Chinese Premier," July 29, 2001, http://english.peopledaily.com.cn/200107/28/eng20010728_76002.html (accessed December 20, 2008).
- ³⁴ Avery Goldstein, "September 11, the Shanghai Summit, and the Shift in U.S. China Policy," *Foreign Policy Research Institute*, http://www.fpri.org/enotes/20011109.goldstein. sept11china.html (accessed December 20, 2008).
 - ³⁵ Doyle, America and China: Asia-Pacific Rim Hegemony in the Twenty-first Century, 156.
- ³⁶ Pollpeter, U.S.-China Security Management: Assessing the Military-to-Military Relationship, 50-51.

³⁷ Vince Crawley, "U.S. Military Increasing Contacts with China, Commanders Say," March 7, 2007, http://www.globalsecurity.org/military/library/news/2007/03/mil-070307-usia01.htm (accessed January 16, 2009).

38 Ibid.